October 24, 1985

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75¢ a copy; $55 a year

Advertising Age Thursday

— Crain's Magazine of the Creative Process

Elaine Silverstein (left) and Joyce Beber in their Miami office.

MIAMI SPICE

The Beber Silverstein agency keeps growing— and making headlines

Special Report: Healthcare Marketing

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CRAIN'S PROFESSIONAL INFO SERVICE
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Thursday

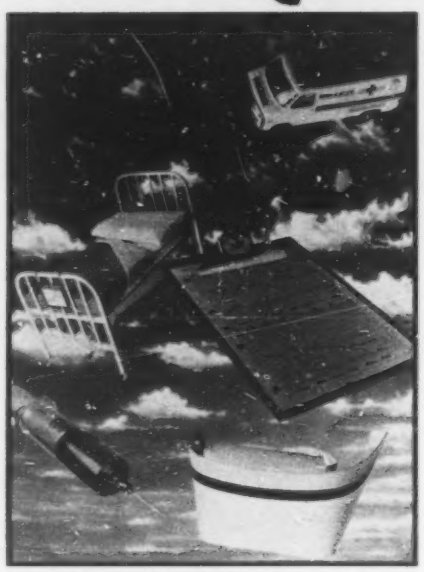
Sweet home Miami

If there's one thing that still vexes Joyce Beber and Elaine Silverstein after 14 years in Miami advertising, it's that lingering label: "Two Jewish doctors' wives." Beber Silverstein & Partners is the largest privately owned, female-controlled ad agency in the nation. With 103 employes and offices in Miami, Washington and New York, it also is far and away the largest agency based in Florida. The agency also has had phenomenal success, climbing to a billings level now at approximately $65 million and earning a reputation as one of Miami's hottest shops. *See Page 4.*

Cover photo by Tom Elliott

Hyatt hotels are hot

They did not mention glass elevators or soaring atriums, but readers who responded to Advertising Age *Thursday's* hotel-motel poll came out strongly in favor of the Hyatt Hotels Corp. The poll, in the form of a questionnaire that ran in August in *Thursday*, asked readers to select their three favorite U.S. hotel-motel chains and also asked them to name their favorite single U.S. business and vacation hotel. Marriott Hotels Inc. was second, and Westin Hotel Co. came in third. *See Page 12.*



Special Report—Healthcare Marketing

Healthcare marketing is in its infancy, but the competitive marketplace requires maturity. Special Report examines the competitors and the unusual obstacles they face. *See Page 15.*

Presstime

Hot Wheels roll to O&M

Hawthorne, Cal.—Mattel Toys is shifting an estimated $6 million in billings from Dailey & Associates, Los Angeles, back to its longtime agency, Ogilvy & Mather. The split ends the toy company's 11-month association with Dailey, which had won Hot Wheels and unspecified future brands. "The relationship has not worked out in the best interest of either party," Mattel said.

Agencies plug for Edison

Washington—Edison Electric Institute is considering six agencies to handle the electrical utilities consortium's $5 million account—Ketchum Advertising and Needham Harper Worldwide here; BBDO and Young & Rubicam, New York, and W.B. Doner & Co. and Smith Burke & Azzam, Baltimore. D'Arcy Masius Benton & Bowles, New York, previously handled.

Profits plummet at BBDO

New York—BBDO International saw its profits squeezed in the third quarter due to losses from transfer of its BBDO Holdings unit in South Africa to local management (AA, Aug. 26). It posted a 6% rise in worldwide revenues for the quarter, reaching $76.5 million, but, as expected, net income suffered. At $464,000, net income was down 88% from a year ago. Earnings per share plunged to 7¢ from 62¢; 50¢ of the drop was attributed to the South African transaction. For nine months, net income sank 30% to $10.6 million and worldwide revenues were up 6% to $236 million.

On Rumrill's bandwagon

New York—Rumrill-Hoyt, which has agreed to work free on a campaign to benefit the Live Aid Fund and promote the "Live Aid World Concert Book," has received offers from Tina Turner, Jack Nicholson, Robin Williams, Michael Douglas and Cher to appear in the commercials, and from directors such as Bob Giraldi, Jim Johnston and Steve Horn to direct for no cost.

Video gels for Sassoon

Century City, Cal.—Richardson-Vicks' Vidal Sassoon Inc. subsidiary is producing a music video for Mr. Mister's RCA recording "Is It Love?" Actors in the video, which will make its premiere early next year on MTV: Music Television, use the company's new Colorific products, unusual styling mousses and gels that temporarily dye hair in intense punk-ish colors. Sassoon will

(Continued on Page 43)

Monday: Megamergers

The marketing impact of giant mergers sweeping the consumer goods industries is the subject of special articles in the Oct. 28 issue of Advertising Age. They will examine the new starring role national brands are playing in merger decisions, the impact these mergers are having on media and the growing problem of agency-client conflicts. Also in next Monday's issue: A roundtable discussion on all these facets and more by seven leading marketing and agency executives.

O&M animates abstractions in latest spots

By Stewart Alter

Ogilvy & Mather, New York, recently launched a series of 10-second animated commercials for Trans World Airlines that brings advertising into the era of abstract art.

One typical spot in the series, intended for the St. Louis market, shows different-colored lines zooming out of a ball. "TWA gives you a choice of 200 flights a day from Lambert Field. . ." says the voice-over. As it completes the sentence by saying ". . .and back," the colored lines reverse direction and start shooting back into the ball, while the tag line "Leading the way—TWA" flashes on the screen.

Since O&M this year also launched a campaign for AT&T Information Systems using the Mummenschanz Swiss mime troupe translating points about computer-system compatibility into abstract mime-demonstrated visualizations, one might wonder if there weren't some creative trend going on within this agency.

Consider also some other recent O&M commercials that have a similar intensity if not the same abstract visual emphasis: The much-publicized Hersheys New Trails spots that also toy with the viewer's sense of sight by having children lip-sync familiar rock songs, or the also-reported-on General Foods Maxwell House campaign in test in Ohio in which stand-up comedians are shown simply working coffee into their routines while the unmentioned brand name only flashes on at the end.

Ogilvy & Mather's 10-second animated commercials for Trans World Airlines use visual abstractions that mirror O&M's distinctive Mummenschanz campaign launched earlier in the year for AT&T Information Systems.

Has this agency become convinced that it's time to say goodby to commercials showing real people expressing the kind of warm emotions that can only come from brand names? Has Ogilvy & Mather, a systematic agency if ever there was one, decided that the way to break through in the era of tv commercial zapping is obliquely, abstractly, intensely?

The answer, as in most cases, is yes and no.

It's emphatically no, maintained O&M/NY senior vp-creative director Jau Schulberg, if one perceives that the agency has abandoned human values. "I believe it is emotion that sells, supported by reason to believe," said Mr. Schulberg, noting the agency reel also includes heart-warming commercials such as those for Kimberly-Clark's Huggies, filled with cute babies, or Hardee's Food Systems, in which an enterprising boy's early-morning devotion to his newspaper route symbolizes the industriousness of the "good people" discussed in the campaign. And besides, TWA is continuing its main people-oriented "Faces" campaign, even while it uses the minimalist graphic technique in 10-second spots.

"I think it is very important today to get consumers' attention," said Mr. Schulberg, adding that he's "not a fan of cleverness for its own sake." There are "three or four very simple things" that advertising has to do, he continued: be on strategy, be distinctive, make sure the selling message comes through and be rewarding to the reader or viewer.

But at the same time, the intensity and purposefulness that characterize the TWA and AT&T spots do represent something about O&M's approach to advertising. "I believe that any good advertising has to be single-minded," said Mr. Schulberg, who sees no reason why copy points can't be made very directly, even in apparent isolation, or why every TWA spot, for example, has to show human beings "I don't believe you have to tell people the obvious," he said, explaining that research shows the TWA 10-second spots to be effective with their messages understood.

Belaboring the obvious is what Mr. Schulberg maintains was one of the problems with "a lot of advertising that came out of America in the 1970s." It insulted the average person's intelligence" and was often boring and cliche-ridden as it presented "artificial people in artificial situations."

Yet Mr. Schulberg does not dispute that some of the more recent advertising coming out of O&M is not different in spirit from what this agency

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ABP MPA RED TAG ABC AMPA

for $50,000.

Although individual tastes vary, "Casablanca" remains the perennial favorite, garnering as much as $3,000 for an original movie poster, he says. Five years ago, the same poster sold for as little as $10. "It's a strange, growing business."

Marie Spadoni

There's no music, but the scenery's great in these hotel videos

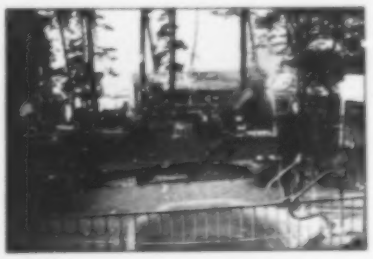
The video craze has graduated from mugging rock stars and slickly edited soft drink commercials to a new, more serene subject matter: High-class hotels.

Applying video techniques to tourism was the brainchild of Toni Doyle, director of marketing for the Highlands Inn in Carmel, Cal. Doyle came up with the idea of hiring nearby Michaelson-Ruskin Productions, Palo Alto, to shoot a 6½-minute video of the hotel—complete with background music and voiceover narration waxing eloquent on the virtues of the hotel and its surrounding environs.

"Decision makers can't always take the time to come see the property," Doyle notes. "This way, we can bring it to them."

So far, the inn has sent the video primarily to clients considering it for conferences, but it also plans to supply travel agents with copies. For a $25 deposit, they'll also send one to interested individuals.

According to Rob Berg, director of communications for Michaelson-Ruskin, the video will serve a dual purpose, promoting



the inn and serving as a sort of visual resume for the developer. The video includes more than 40 shots, interior and exterior, highlighting hotel amenities and the beauty of the California coastline, done at a cost of $20,000.

The video has only recently been made available, but Doyle says the number of requests she's received suggest they'll have "tremendous success" with it. The production company, says producer Ira Ruskin, is developing a marketing strategy to promote this service to other hotels.

"The proliferation of the vcr makes this a very opportune time for this type of marketing," he says. "I look upon it as a significant extension of our business."

The job, says Ruskin, is not without its perks: "If it catches on, we'll get to stay in a lot of nice hotels."

Brian Lowry

A word of advice: Grab the mustache and run

No corporate type's Christmas will be complete this year without the "Executive Expense Account Kit" nestled under the tree. The kit is the brainchild of Marc Juris, a financial analyst-turned copywriter now with GM Communications, a small New York agency. It was his job as a financial analyst that taught him the ins and outs of expense account padding, but he realizes that account execs are experts, too.

The kit comes complete with an instruction manual ("If you must validate the taxi receipt quickly, sign it with the hand you do not write with"); a pen that

writes in three different colors; pads of preprinted, guaranteed fake receipts from chichi restaurants such as "Lou Tess," "La Snobee du CoCo," and "Chez What," and a "Fail Safe" system in case of detection: A fake mustache.

Several thousand kits are already in Bloomingdale's and trendy card and gift shops across the country, Juris says, and retail for about $10.

Lisa Phillips

It has finally arrived! A thesaurus that works as hard as you do

"Dear Reader: Forget everything you've heard about **thesauri**. "Words That Sell," (by Richard Bayan, Caddylak Publishing, $19.95), may change the way you write copy.

Here's why: It's all here! Everything from "snappy transitions" to "knocking the competition."

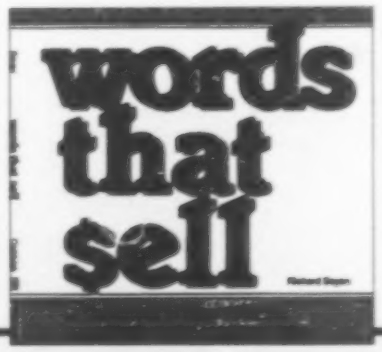
"Words" leaves no stoned unturned **in its** step-by-step sections. All you do is look up "grabbers," and you'll discover how easy it is to "make the reader sit up and take notice." It's a snap. "Descriptions and benefits convey the value of your product or service."

Sections such as "clinchers, closing statements that motivate the reader to respond," **followed by** top-notch "terms and offers, making the 'bottom line' irresistible" and "special strategies, pulling out all the stops to make your point" will make you feel brand new.

Are we claiming too much? We don't think so. The key word is quality. You are the one who benefits. The ultimate **thesaurus** furnishes all the **words** you need to **create copy.**

The wizardry of **author Bayan** gives you an insider's grasp of **advertising and** takes the mystery out of **copywriting. "I could see it being used in advertising classes," he says, adding that it exposes a wealth of choices to expand the repertoire of the professional.**

You'll be tickled by **"Words," too. "The humor is to take knowledge of the fact that there's an element of fun in direct mail," says Bayan.**



What kind of people read **"Words"**? You'll join the ranks of **20,000 other copywriters and marketing execs who own this thesaurus** of distinction, the kind you've only dreamed about, the first real improvement **since Roget.**

"Words That Sell" is billed as "A thesaurus to help promote your products, services, and ideas." It will revive your **vocabulary** and it's the **thesaurus** no family **(read: copywriter)** should be without. Snuggle up, cuddle up, get comfortable with it.

Can you think of any reason *not* to send for "Words that Sell"? Now is the best time. You've waited long enough. Take this important first step. Reserve your **thesaurus** today! **It's available by ordering from Caddylak Publishing, 201 Montrose Rd., Westbury, N.Y. 11590.**

You'll wonder how you ever managed without it.

Kevin Brown

*All copy in this story, except in boldface, was taken with great editorial liberty from "Words that Sell."

Dine out in Jakarta, work in New York, live in Lisbon, and you may break even

For all our Jakarta readers, we've got some good news and some bad news. The good is that a hearty meal (steak, two side dishes and dessert) can be had there for $11. The bad news is, quite possibly, you earn less than that in a week.

According to a worldwide wage and price survey conducted for the Union Bank of Switzerland by two independent organizations, New Yorkers command the highest salaries of the 49 major cities surveyed. In fact, the average worker in New York earns 42% more than a worker in Zurich or Tokyo and more than twice as much as the average worker in Paris. Los Angeles workers, meanwhile, are paid 36% more than their Zurich and Tokyo colleagues.

Low-end cities? Bombay, Manila and Jakarta. In fact, textile workers in Jakarta earn about $400 a year—lowest of any occupation in any city on the survey.

Dinner in a quality restaurant averaged $17 per person in the 49 cities, up from $13 in 1982. Cheap eats can be had in Bangkok, Brussels, Caracas, Dublin, Duesseldorf, Istanbul, Jakarta, Lisbon, Madrid, Manila, Tel Aviv and Rio. That's $10 or less for the steak dinner described above. On the other hand, eat that steak and potatoes in New York, and you (or your company) pay $35. Eat it in Tokyo (Benihana's, perhaps?) and cough up $42. In Abu Dhabi, be prepared to ransom your food for $59 (find a sheik to foot the bill).

Apartment rents can be really cheap some places. Abu Dhabi, New York, Chicago, L.A. and Houston are not among them. Average rent for a three-room unfurnished apartment ranged from $80 in Jakarta to $1,470 in Abu Dhabi. Average rent in New York is $1,050; $750 in Chicago; $580 in L.A., and $530 in Houston.

Lagos, Nigeria, followed by Tokyo, New York and, as always, swinging Abu Dhabi, are the four most expensive cities to live in, but each of the four U.S. cities surveyed made it to the top 10. Living in Rio, Lisbon, Luxembourg or enchanting Istanbul costs half of what it takes to live in the Big Apple or the Big Sushi.

Lenore Skenazy

Wage and salary levels
Gross salary level: Zurich=100

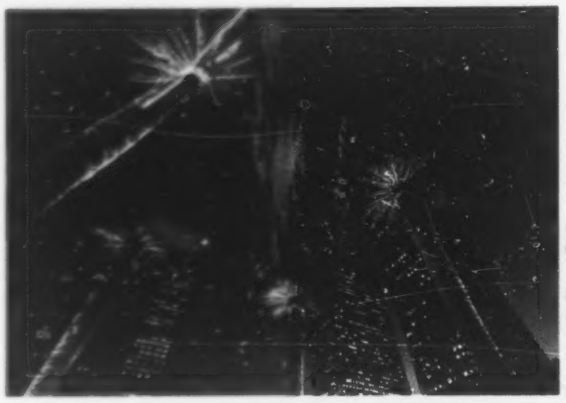
Duesseldorf	74
Geneva	103
London	57
Los Angeles	136
New York	142
Paris	56
Rio de Janeiro	18
Singapore	31
Tokyo	100
Zurich	100

Actual hourly earnings in 12 different occupations weighted according to occupational distribution.

Consumer price levels
Zurich=100

Duesseldorf	85
Geneva	97
London	93
Los Angeles	130
New York	166
Paris	82
Rio de Janeiro	63
Singapore	120
Tokyo	185
Zurich	100

Costs of a basket of 119 goods and services weighted by consumer habits.



Brett Froomer, ©Image Bank

Restaurant prices

Duesseldorf	$ 10
Geneva	14
London	15
Los Angeles	23
New York	35
Paris	13
Rio de Janeiro	8
Singapore	24
Tokyo	42
Zurich	13

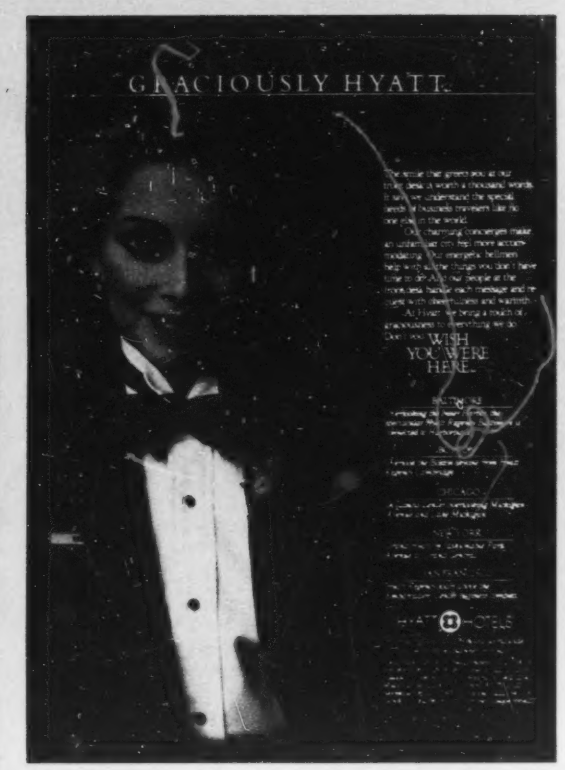
Price of a dinner for one (sirloin or rumpsteak with one vegetable, potatoes and a dessert; without drinks), incl. service in a good restaurant.

Hotel prices

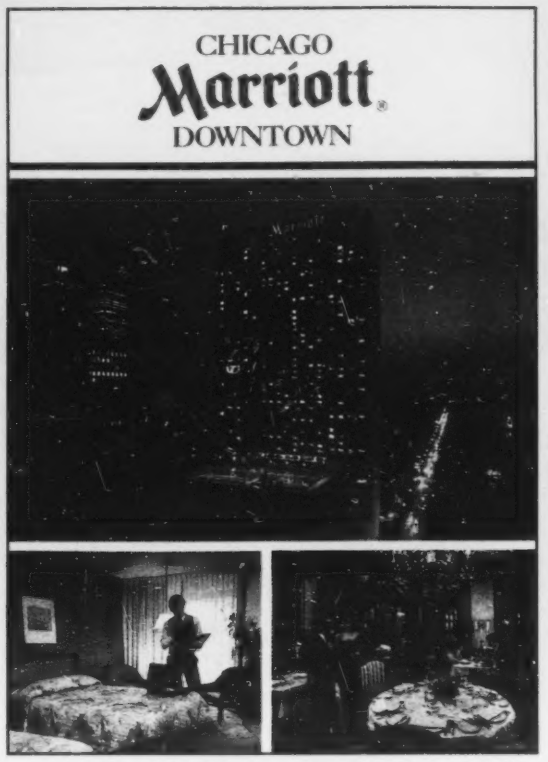
Duesseldorf	$ 90
Geneva	110
London	150
Los Angeles	150
New York	210
Paris	120
Rio de Janeiro	130
Singapore	90
Tokyo	140
Zurich	110

Price for a double room with private bath and toilet, including breakfast and service, in a first class hotel (Hilton, Intercontinental or similar).

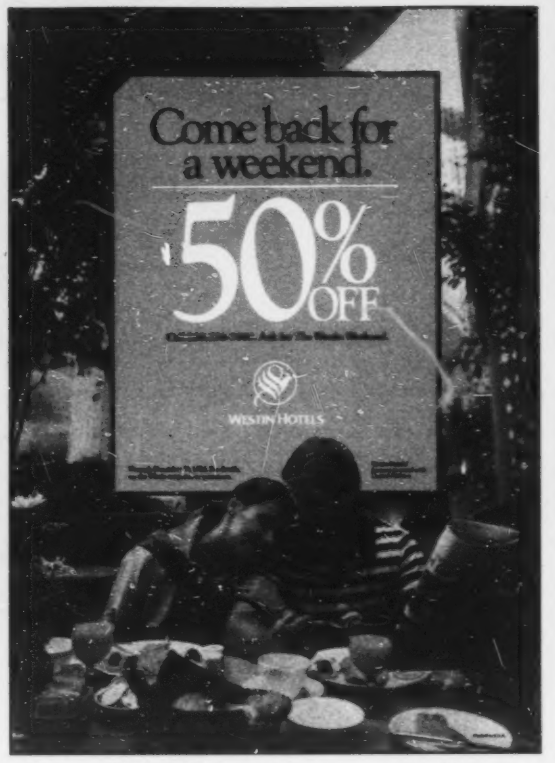
Source: "Prices and Earnings Around the Globe," 1985 edition; published by Union Bank of Switzerland.



Hyatt was cited most frequently for consistency and quality of service . . .



. . . while Marriott was cited most for the friendliness of its personnel . . .



. . . and Westin got more compliments for its food than any other chain.

Hyatt's the place

AA readers rank Marriott, Westin next best

By Robert Goldsborough

They did not mention glass elevators or soaring atriums, but readers who responded to Advertising Age *Thursday's* hotel-motel poll came out strongly in favor of the Hyatt Hotels Corp.

The poll, in the form of a questionnaire that ran in August in *Thursday*, asked readers to select their three favorite U.S. hotel-motel chains and also asked them to name their favorite single U.S. business and vacation hotel.

We received responses from more than 150 readers in 20 states, the District of Columbia, Canada and Australia. In all, 33 chains received votes.

The largest number of responses came from New York, with California second, Illinois third and Washington, D.C., fourth.

Hyatt was a clear winner in the chain category, garnering a total of 101 points, based on three points for a first-place listing, two points for second and one for third.

Runner-up Marriott Hotels Inc. picked up 85 points and got 17 first-place votes to 20 for Hyatt.

Although 76-hotel, Chicago-based Hyatt has among its signatures vaulted atrium lobbies, glass elevators and revolving rooftop restaurant-lounges, these stylish elements were not written about by any of those who voted for the chain.

Rather, Hyatt was praised most frequently for consistency and quality of service. Readers also gave it high marks for "upkeep of the hotels," "easy check-in and check-out," "no reservations foulups" and "female executive floors."

Interestingly, Marriott got more strongly favorable comments from its supporters than did Hyatt. The Washington-based chain, with about 135 domestic facilities, was cited most often for the friendliness of its personnel and its Honored Guest program, in which travelers accumulate points that can be used for merchandise and for discounts on rooms, airline tickets and car rentals.

A sample comment from a Cincinnati reader: "[Marriott] knows what a businessman wants and needs while traveling and they are especially good at employe attitudes and training."

AA hotel-motel poll

	Total points
1. Hyatt (20)	101
2. Marriott (17)	85
3. Westin (9)	58
4. Four Seasons (11)	41
5. Vista International (11)	36
6. Hilton (3)	28
7. Ritz-Carlton (1)	12
8. Sheraton	11
9. Holiday Inns (3)	10
Helmsley (1)	10

Source:* Advertising Age *readers' poll. Readers were asked to rate their favorite hotel-motel chains. The results were derived by giving three points for each first-place vote, two points for second and one point for third. First-place votes are in parentheses.

Others gave the organization high marks for cleanliness, safety, express checkout, "great gift shops" and—from one California reader—"great bars!"

In third place was Westin Hotel Co., Seattle, a subsidiary of UAL Inc., which has 26 domestic hotels with six more under construction. "Class," "style" and "service" were the words most often used to describe the Westins, and the chain also got more praises for its food than any other. One New Yorker praised the chain for "service and people who are considerate and love what they do."

Several smaller chains did well in the balloting. Toronto-based Four Seasons, which has 10 U.S. hotels, finished fourth, with readers calling them "quiet," "comfortable" and "luxurious" and having "a passion for excellence."

Vista International, a group of five hotels that are part of Hilton International, itself a subsidiary of Transworld Corp., was fifth, getting praise for "European style of service" and "lovely atmosphere."

Atlanta-based Ritz-Carlton Co., which operates four hotels with three under construction, finished seventh. (The company owns the Ritz-Carlton in Boston, but not the hotels of the same name in New York and Chicago, the latter of which is a Four Seasons facility.)

A number of readers also showed preferences for all-suite hotels, a relatively new development. Several singled out the L'Ermitage group of all-suite hostelries in the Los Angeles area.

The ballots showed a wide variety of preferences in the favorite business and vacation hotel categories. Among hotels mentioned most frequently as business stopovers were the L'Ermitage, Westwood Marquis and Beverly Hills Hotel in the Los Angeles area, Arizona Biltmore in Phoenix, Mark Hopkins in San Francisco, Waldorf-Astoria in New York, and two Chicago hotels, the Tremont and Ritz-Carlton.

Vacation hotels that received multiple mentions include the Arizona Biltmore, Mark Hopkins, Fairmont and Four Seasons Clift in San Francisco, Carlyle in New York, Ritz-Carlton in Laguna, Cal., Ritz-Carlton in Chicago and the Hyatt on Maui, Hawaii.

We also asked readers what one hotel they would choose to stay in, anywhere in the world, if they had the opportunity.

Here also, there was a wide variety of nominations, with 46 hotels and resorts named, in the United States as well as in Canada, England, Scotland, France, Spain, Greece, Monte Carlo, Hong Kong, India, Japan, Jamaica and the Bahamas.

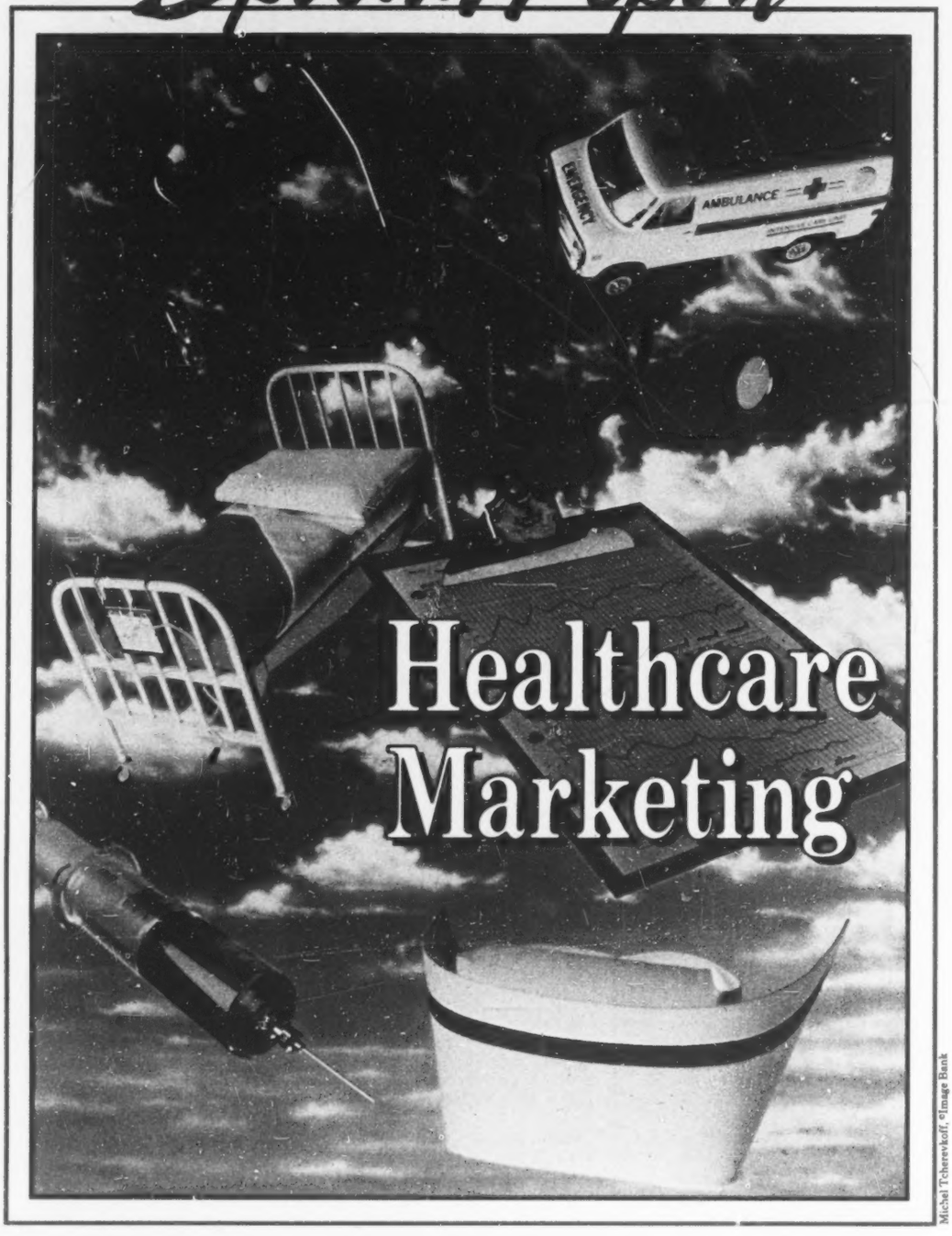
Hotels that received multiple mentions were the Kahala Hilton, Honolulu, the Ritz and George V in Paris, Mansion in Dallas, Westwood Marquis in Los Angeles, Fairmont in San Francisco, Broadmoor resort near Colorado Springs, Colo., and the Maui Hyatt.

Three Hong Kong hotels—Shangra La, Regent and Mandarin—were favorite choices, along with four in London: Sheraton Belgravia, Connaught, Berkeley and Churchill.

And one reader from Santa Ana, Cal., got very specific about an all-time favorite place to stay.

His ballot read: "Westin Hotel, Seattle, Wash. Top floor—face west!" ■

Special Report



Michel Tcherevkoff, ©Image Bank

Healthcare Marketing

Product management is in the air

By Richard Edel

The tv image is a young male executive. The voiceover: "A message to those who don't care." As the announcer talks about cocaine abuse, time-lapse photography shows dramatic deterioration of the man into a disheveled addict.

The 30-second spot, airing now in New York and for two weeks last June, is not a public service message. It targets loved ones of "briefcase addicts" and its goal is to fill beds in a new drug abuse treatment center called Stuyvesant Square at New York's Beth Israel Medical Center.

It is part of a national trend among healthcare providers to market services through product management, which is radically changing attitudes about medical marketing and advertising.

Richard Edel is a Chicago-based freelance writer.

Beth Israel's tv spot cost $40,000 to produce and $80,000 to air in June. Inpatient census in the 50-bed clinic for a 28-day initial treatment jumped from 21 before the June campaign to 40, a 90% increase. At a price of $10,000 a patient, Beth Israel will receive net income of $80,000 from initial advertising alone. As the first wave of in-patients is released, the cycle starts again with $90,000 in tv budgeted for the fourth quarter.

The idea of selling medical services like McDonald's sells hamburgers would have shocked New York's medical establishment even last year, says James Stark, Beth Israel's senior vp-marketing. But faced with a vast restructuring of the healthcare industry, the medical community is adapting.

Beth Israel's ad was the first paid ad by a nonprofit hospital in New York. But all the major institutions there are scrambling to begin marketing products. "I think you're going to see some million-dollar budgets popping up, compared with zero before," Mr. Stark says. And with no resistance from physicians, he says. "They see the writing on the wall."

Hospital marketers' media*

Medium	Per cent
Newspapers/magazines	94%
Radio	73
Direct mail	65
Television	33
Newsletters	27
Billboard/busboard	23
Other	4

*Multiple responses permitted.

Source: Allied Research Associates, Chicago

The dramatic turnabout is rooted in a mixture of political, economic and social forces. But a key factor is the need for healthcare providers—hospitals, insurance companies, health maintenance organizations, independent physician associations—to react to greater competition and concern about the bottom line.

One reason is a new medical reimbursement system for Medicare, the federal program that provides health benefits to those 65 and older, which established reimbursement levels for treatment of 468 common procedures, called diagnostic related groups of illnesses (DRGs). If a hospital provides the treatment for less than the DRG reimbursement, it makes money. If the treatment costs more, the hospital loses money. The transition, which began in late 1983 and will be introduced in New York in 1986, has healthcare providers in an uproar.

(Continued on Page 18)

Product

(Continued from Page 16)

"It's like a bomb went off here," Mr. Stark says. "It's amazing that everyone is reacting so quickly to the new system. It's a whole new ball game."

What is happening in New York already has happened or is occurring across the U.S., causing sweeping changes in the delivery of healthcare. Evolution in the system is being caused by many factors, says John Gaffney, economist for the American Medical Assn., Chicago.

A critical factor is the rising cost of care. In 1950, healthcare expenditures accounted for about 4.4% of the gross national product, or $83 billion. By 1982, it accounted for 10% of the gross national product, $322 billion. Health expenditures are expected to increase to $690 billion in 1990, 12% of the gnp, according to projections by the Health Care Financing Administration, Washington.

Pressure for cost containment is changing some time-honored traditions of medicine—for example, the patient and physician relationship, Mr. Gaffney says. With new incentives to release in-patients quickly and to perform more outpatient procedures, there is concern over the intrusion of economics into the physician's clinical decisions.

"It puts the physician in the middle," Mr. Gaffney says. "And it puts consumers under tremendous pressure to make informed decisions [about the course of treatment], which is difficult at any time, but especially when you're not well."

An abundant and growing supply of physicians also is dramatically increasing competition, Mr. Gaffney says. A study by *Internal Medicine News*, International Medical News Group, New York, predicts the ratio of physicians to population will reach 1 in 400 by 1990, compared with 1 in 540 today, and 1 in 625 in 1970.

A large supply of physicians stimulates formation of HMOs, preferred provider organizations and independent physician associations, and this is having a significant impact on competition for the delivery of healthcare. As competition intensifies, so will advertising and marketing, Mr. Gaffney says.

Steven R. Steiber, chief executive officer of Allied Research Associates, Chicago, estimates total 1985 measured-media hospital advertising in the U.S. at about $400 million, up from $100 million to $200 million in 1984 and $25 million to $50 million in 1983. "Where will that take us?" asks Mr. Gaffney.

"Is the healthcare product similar enough to other products that the same approach to producing, pricing and distribution will work to the benefit of the consumer? There is a great range of opinion," he says.

One possibility is that rising competition will cause advertisers to make increasingly strident claims about pricing and service to attract consumers, he says. But such claims could haunt advertisers in years to come, especially if they compromise the consumer's perception of quality care.

The American Medical Assn. favors self-adjusting market forces in healthcare as long as the quality of care is not hurt. But it is impossible to predict the effect on quality of product-oriented competition, Mr. Gaffney says.

Examples of product-oriented programs include those of highly aggressive for-profit companies, such as Republic Health Corp., a Dallas-based chain that offers discounts and freebies like a free pair of glasses for cataract operations or a free pair of shoes for foot surgery. For-profit hospitals, which were spawned by a flood of money from enactment of Medicare in 1965, are reacting most quickly to changes in the healthcare environment.

The greatest long-term effect in healthcare is demographic change, Mr. Gaffney says. As the U.S. population continues to age into the next century, the effect will be fewer workers supporting more older nonworkers. This trend will have profound implications on the cost, quality and accessibility of medical care in the future. At issue is the effect these factors will have on for-profit and nonprofit hospitals, and on alternative healthcare providers, says Daniel R. Longo, a professor with the Center for Health Services & Policy Research, Northwestern University, Evanston, Ill.

"The interesting question is whether hospitals will become healthcare institutions providing a whole array of services [including HMOs and PPOs], or whether they will remain mainly acute care institutions," he says.

"Nobody has a crystal ball," Mr. Longo says, "but there are a number of avenues for marketing that we hadn't dreamed of even two years ago."

These include more joint ventures among hospitals, physician groups, HMOs and insurance companies, all creating a plethora of possibilities. "Competition will continue to increase, not only between hospitals, but between physicians and hospitals, hospitals and corporations, and all of the alternative types of providers," Mr. Longo says.

The distinction among major elements in the health sector is becoming blurred by joint ventures among big corporations representing hospitals, insurance companies and alternative healthcare providers, says Stephen W. Brown of the center for services marketing, Arizona State University, Tempe. The healthcare industry is moving from a physician controlled economy to a consumer controlled market.

"That puts the consumer in the power position," says Mr. Brown, who is co-author with Dr. Andrew P. Morley Jr. of "Physician Marketing," released last week by Medical Economics Books, Oradell, N.J.

"It used to be that you had to go to the castle, or the physician's office, to get medical care," he says. Now providers are creating healthcare products that emphasize price, accessibility and convenience.

But the future will be dominated by huge healthcare corporations, which even now are creating national healthcare systems offering a variety of services through regional networks of hospitals, clinics and physicians. These systems are

(Continued on Page 19)

How diagnostic related groups of illnesses are changing purchasing decisions

Respondents reported alterations in degree of influence by various purchasing decision makers in light of recent drg regulations as follows:

Decision maker	More influence	Less influence	No change
Administrator	67.9%	3.6%	28.6%
Operating room supervisor	46.4	17.9	35.7
Individual physician/surgeons	21.4	42.9	35.7
Director of nursing	60.7	7.1	32.1
Central supply supervisor	46.4	10.7	42.9
Infection control supervisor	28.6	7.1	64.3
Emergency department supervisor	35.7	14.3	50.0
ICU/CCU supervisor	33.3	16.7	50.0

Key effects of diagnostic related groups of illnesses

Effect	Per cent mentioned
1. Shorten patient stay	72.7%
2. Reduce drug, devices and other supply costs	60.0
3. Reduce staff	54.4
4. Increase in enhanced cost/accounting computer systems	48.5
5. Use of lower cost distributors/buying groups	42.4
6. Enhanced hospital marketing programs	39.4
7. Increased use of reusables vs. disposables	18.2
8. Increased early diagnostic procedures	15.2
9. New or increased use of incentives for personnel to comply with drgs	14.3
10. Increase in admissions	12.1
11. Reduced purchases of capital equipment	12.1
12. Transfer of more acutely ill patients to short-term extended care or nursing home facilities	9.1
13. Adoption of cost-reducing medical equipment	6.1
14. Increased in-house clinical lab tests	3.0
15. Increased tendency toward surgical specialization	3.0

Source: Gordon DRG Report, Chart: *Medical Marketing & Media*, Boca Raton, Fla.

National networks develop brand names

Healthcare conglomerates will pump millions of dollars into advertising and marketing medical and insurance services as they develop national health system networks. The networks feature branded healthcare products, insurance services and financial incentives for using the systems.

"It's a terrific time for the creative juices to be flowing," says Roland Wussow, vp-communications at HCA (Hospital Corporation of America), Nashville, Tenn. Mr. Wussow says HCA, a 440-member, for-profit hospital chain, now is targeting employers, and later consumers, for its network, HCA Health Plans. The network combines managed healthcare plans with low-cost insurance and will be available in 10 markets by yearend and 40 markets by the end of 1986.

After successful tests this year in Nashville and Houston, where it was able to significantly increase HCA name awareness, the corporation plans heavy "brand" advertising in 1986, Mr. Wussow says.

The big, for-profit hospital chains, HCA, Humana, American Medical International and National Medical Enterprises, and nonprofit Voluntary Hospitals of America, Irving, Tex., all are forging national network systems combined with cut-rate group insurance either self-funded or through joint ventures.

VHA Enterprises, a VHA subsidiary, kicked off a joint venture this month with Aetna Life Insurance Co., Hartford, Conn., called Partners National Health Plan, combining reduced rates through 500 member hospitals and group insurance from Aetna, says Allen Maltz, senior vp at VHA in Dallas. Partners National is a preferred provider organization, which provides low-cost fee-for-service medicine and links employer premiums to the consumer price index.

"We think the country's going to eat it up," Mr. Maltz says.

Prudential Insurance Co. of America, the largest group insurance carrier, is rolling out a similar program called PruCare Plus, a health maintenance organization type plan combining prepaid healthcare and insurance options. PruCare is targeting 80 locations by 1988. Prudential already operates 18 HMOs across the U.S.

The Prudential program will involve heavy consumer advertising, a first for Prudential, which currently targets corporations only.

"We've never done [consumer] advertising for the group insurance," says Rollin Lacy, Prudential's vp for north-central group operations in Minneapolis. "But now we're going to be heavily involved in the advertising business."

Humana, an 87-member network, probably is the leader in developing a national system with Humana Care Plus, a PPO type arrangement with a self-funded group insurance plan that encourages use of the Humana network, or a $500 deductible for use of non-network hospitals, says Elroy Schuler, director-marketing, hospital division. Humana is recruiting new network members and plans more product-oriented advertising in 1986, he says.

Regional companies also are getting involved in networks through joint ventures.

For example, ChoicePlus, introduced this month by Group Health, Minneapolis, combines group insurance benefits from Prudential with Group Health's own HMO.

ChoicePlus is one of a growing number of hybrid-type arrangements that give consumers the option of using HMO facilities at no cost, or fee-for-service physicians with a co-payment.

Its introduction in Minneapolis-St. Paul, considered the most competitive healthcare market in the U.S., is a sign of what lies ahead for the rest of the country, says Leonard Schaeffer, president of Group Health.

"HMOs are the wave of the future and the step beyond is this type of combination plan," he says.

Stephen W. Brown, a marketing professor at Arizona State University, Tempe, says the healthcare industry is moving from one that is supply driven to one that is market driven, which means advertisers increasingly will emphasize such factors as price, quality, availability and convenience of service.

"These health plans could be the kingpins someday in dictating how healthcare is provided," Mr. Brown says. —*R.E.*

Insurers writing new healthcare policy

By Diane Lynn Kastiel

A new and aggressive healthcare provider has emerged from the metamorphosis of the healthcare industry—the insurance company.

Insurers are not conducting physicals or delivering babies, but they are organizing networks of doctors and hospitals to provide healthcare services such as these to their policyholders.

Responding to demands from policyholders protesting 25% yearly increases in healthcare premiums, insurers are offering alternatives to the traditional fee-for-service healthcare delivery system. The most common of these alternate delivery systems are known as health maintenance organizations and preferred provider organizations.

Insurers aren't alone in marketing such services. Their competitors include hospitals, doctors and entrepreneurs organizing similar healthcare delivery systems.

"It's necessary [to offer these alternatives] to stay in business," says Richard Freiburger, vp-healthcare cost management for Equitable Life Assurance Society of the United States in New York.

"You have to offer it or someone else will."

Although many of these alternative delivery systems can be incorporated into traditional group health insurance plans, some, such as HMOs, circumvent traditional health insurance by offering unlimited care for a prepaid subscriber's fee, which replaces the traditional health insurance premium—and takes money out of insurers' pockets.

"There's an increasing trend in terms of HMOs penetrating the insurance business and part of the impetus for insurance companies to get into HMOs is to keep the business," Mr. Freiburger says.

But insurers also are marketing healthcare delivery systems that don't necessarily eclipse traditional insurance—such as PPOs, which designate cost-efficient providers but usually get reimbursement through an insured health plan.

"The future of healthcare is going to be in managed healthcare plans," says Mary DeVasto, director-marketing for Hancock Preferred, the PPO from John Hancock Mutual Life Insurance Co. in Boston.

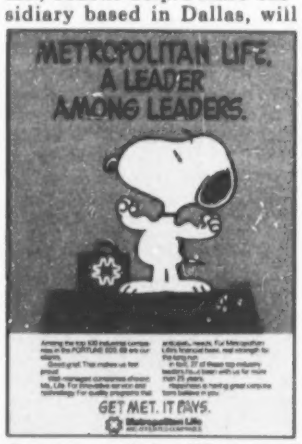
"And, a couple of years ago, it became clear that if John Hancock was to remain a viable force in the marketplace, they were going to have to get into this."

Although some of the major insurers are still in the early marketing stages of their alternative healthcare delivery systems, those up and running are becoming increasingly aggressive with their advertising, using a variety of media—tv, radio, trade publications, consumer publications and direct mail.

"It's a real competitive market, and we're going to do whatever we have to do to get our message across," Ms. DeVasto says. John Hancock uses radio, print and direct mail to advertise Hancock Preferred and is considering tv, she says.

Insurers are beefing up their ad budgets in response to this competitive environment. The Blue Cross & Blue Shield Assns., Chicago, will spend about an average of $8.5 million—for alternative healthcare advertising and promotion only—in 1985 and 1986, up from $7 million in 1984 and an average of only $1.5 million in 1983 and 1982.

And, CIGNA Health Plans, Inc., CIGNA Corp.'s HMO subsidiary based in Dallas, will



Snoopy and the "Peanuts" gang are leading Metropolitan Life's campaign to overhaul its image.

spend between $200,000 and $1 million to advertise its HMOs in each of the 13 metropolitan areas where they are offered.

The biggest challenge insurers face in advertising these alternative healthcare delivery systems is getting their message to two distinct groups—employers and employes. Both groups are potential buyers of alternative healthcare.

Employers buy alternative healthcare delivery systems as part of their employe benefits program. Employes can choose between alternative healthcare plans and a traditional, fee-for-service plan. Rarely do employers not offer a traditional healthcare option along with an alternative healthcare option.

Both employers and employes are concerned with the quality, availability and cost of the delivery system, especially as employers require employes to pay more for healthcare and offer them more choices.

"It's imperative in this complex world, where healthcare costs are such a threat, to communicate to not only the major corporate decision maker—the chief executive officer or benefits manager—but to the end user as well—the employe," says Andrew Brennan, director-group insurance marketing for Metropolitan Life Insurance Co. in New York.

"We have to integrate the employe to have the active involvement of the end consumer. They can only make an intelligent decision to use that product or service when they know about it—when they're educated," he says.

Metropolitan's MetLife HealthCare Management Corp. subsidiary markets HMOs in St. Louis, Cleveland and Louisville and wants to offer its product nationwide eventually.

The company's Met-Elect PPOs are marketed in about 20 cities, including Miami, Los Angeles, Dallas and Chicago and eventually will be nationwide, Mr. Brennan says.

Metropolitan advertises both its HMO and PPO products in business and consumer publications, including *Fortune*, the *New York Times* and the *Wall Street Journal*.

Its first barrage of ads were black and white—and serious. Large, block letters dominated the page. "When it comes to containing health costs, hospitals know we mean business," one says. Another declared: "Our last word on containing health costs: Action." Copy explained exactly what Metropolitan's healthcare alternatives offer. The ads also included a coupon employers could send to get more information.

"We approached it in a serious vein and educated people," Mr. Brennan says. "Now we're ready to go to the next level. It doesn't have to be a drawn-out, gray, three-piece suit type of approach to be effective."

The next level is anything but a gray, three-piece-suit approach. Snoopy and the Peanuts comic strip gang are now the official representatives of Metropolitan for all lines of business and ready to spread the word about the company's healthcare products.

(Continued on Page 20)

Diane Lynn Kastiel is an associate editor for Business Insurance, *a Crain Communications Inc. publication.*

Product

(Continued from Page 18)

being tied together by insurance packages that offer consumers a variety of options from prepaid health plans, such as HMOs, to traditional insurance packages that reimburse medical expenses on a fee-for-service basis, or a hybrid combination of both.

"The healthcare industry is moving from a cottage industry with lots of mom-and-pop operations to one that resembles other industries," with mergers, acquisitions, joint ventures and other hallmarks of big business, Mr. Brown says.

But these developments also signal an impending shake-out.

"There's going to be a huge blood bath," he says. "The big companies with financial power can wait it out, but a lot of smaller companies won't be around after a couple years. We've never seen an industry buffeted by so many changes —not in our lifetimes."

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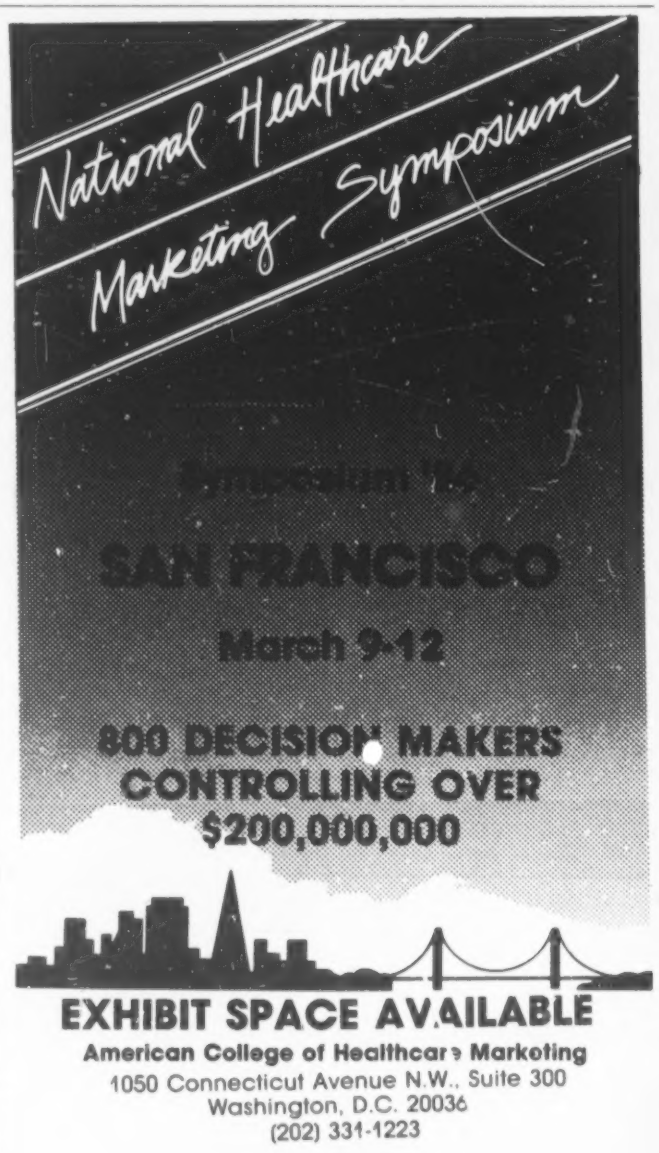

Shorter patient stays dictate new game plan

By Beverly Montgomery-Karp

Selling to hospitals is a whole new ball game. The goal now is to shorten the hospital patient's stay, and ad executives need to remember that when marketing products to hospital administrators, says Karen York, chief executive officer of York Alpern/Doyle Dane Bernbach, Los Angeles.

"Until two years ago, hospitals set their own prices and could count on insurance or Medicare/Medicaid to pay whatever the hospital charged. There now is a limit to hospitals' reimbursement for each patient," Ms. York says.

Since 1980, Medicare and Medicaid have paid most healthcare bills for one of every five Americans. As a result, hospitals faced enormous consequences when the federal government changed the Medicare payment structure in 1983.

"Hospitals started pushing patients through the door faster," says John Reiff, president of JRA/Marketing Communications, Philadelphia. "Hospital administrators suddenly had a drastic need to control operational costs.

"They became concerned that nearly 70 cents of every dollar spent within the hospital goes for labor. Administrators began looking for labor-saving devices," he says.

In response to these changes, some hospital vendors modified their selling messages.

Advertisers "used to talk about technology, the quality of care, design of equipment and convenience the products offered to physicians," Ms. York says. "We're directly addressing the administrators' needs now: Shorter patient lengths of stay and limited reimbursement funds."

In national surveys, administrators indicate that the increased pressure to contain costs has changed some of their purchases, says Joyce Jensen, marketing director at National Research Corp., Lincoln, Neb.

Hospitals have become bigger purchasers of advertising services, market research, strategic planning and consulting services. "And they're adding sales people to the hospital staff to actually sell hospital services to consumers or employers," Ms. Jensen says.

National Research Corp. has documented increased sales by hospitals to consumers. "From June, 1984, to June, 1985, hospitals increased by 8% the amount of durable medical equipment [walkers, wheelchairs, intravenous equipment] that they were offering to patients.

Many of those supplies are for outpatient services. That business has become increasingly common because Medicare doesn't yet use the pricing restrictions on outpatient care.

For expensive purchases, hospital executives are shopping more carefully than they did two years ago, Ms. Jensen says.

Hospitals are renting or sharing some of the major equipment with other hospitals. "That's true even to the extent of putting some radiological equipment on a truck and moving it from hospital to hospital," Ms. Jensen says.

"On computer purchases, the administrators try to decide whether they should buy the more expensive, integrated system with capacity to network the entire hospital," Ms. Jensen says.

"The computer definitely is one product that is up in sales," despite hospital cost-containment pressures, says Marla Shelton, marketing communications manager for American Hospital Systems, a computer services group located in McGaw Park, Ill.

The division's parent company, American Hospital Supply Corp., Evanston, Ill., has been in the hospital market for more than 60 years and is known for an aggressive sales force. It recently was acquired by Baxter

(Continued on Page 32)

Shifts in marketers' goals for their hospitals

Goals	1984	1985
Increase patient volume	24%	39%
Increase referrals	3	2
Increase revenues	6	9
Cut costs	3	3
Product management	26	23
Public relations	25	17
Other (determine pricing strategies, etc.)	13	7

Source: Allied Research Associates, Chicago

Beverly Montgomery-Karp, a former editor for the Journal of the American Medical Assn., *is marketing director at* Modern Healthcare, *a Crain Communications Inc. publication.*

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Patient

(Continued from Page 31)

Travenol Laboratories, Deerfield, Ill., one of the biggest advertisers in medical and hospital publications. American Hospital Supply generally doesn't allow much advertising of its products. Ms. Shelton's division is an exception.

"A lot of the advertising this division uses is image advertising. I don't want to get too specific in the ads, because there is too much data to deal with in these products," she says.

Another marketing tool used by Ms. Shelton is "seminars that both prospects and actual buyers attend .... A seminar is a good sales tool. It educates the customer."

Mr. Reiff of JRA/Marketing Communications says he advises clients that if the product being sold is a contract management service, "the best way to reach people is through seminars as well as trade shows."

Seminars have been very successful for International Clinical Laboratories, Nashville, Tenn., says William O'Neil Jr., president. The company's market is made up of laboratories. Forty per cent of ICL business comes from hospitals, "And the hospital side of our business is getting bigger," Mr. O'Neil says.

He explains that one year ago the company added free seminars to its marketing mix. "We were looking for a new vehicle to communicate with people in the hospitals. With these seminars, administrators don't feel like their arms are getting twisted. Instead of a direct sale, we're talking with them about their problems."

Another marketing decision ICL made was to keep a lid on prices. "We decided that instead of raising prices, we would tighten up on our costs," Mr. O'Neil says. That decision has paid dividends; the "number of hospital laboratory agreements has increased 50% in the past year," he says.

Other healthcare companies have tried different marketing innovations.

Scott Dillion is manager-group development at Fischer Mangold, Pleasanton, Cal., a company contracting to manage hospital emergency medicine and ambulatory care services. He says most of the healthcare industry has not reached the stage of full lines of "brand" marketing.

"But our entire marketing staff—and much of the sales staff—are old Procter & Gamble people. Our strategy is to sell the emergency room as one hospital product line that could deliver more revenue."

Fischer Mangold recently completed a telemarketing experiment. "It was a two-week test. In 220 phone calls, hospital chief executive officers were reached on the phone 72% of the time. We were able to make appointments right then to see 22% of them. And nearly three-fourths of the people we called on asked that Fischer Mangold draw up a proposal for the hospital," Mr. Dillion says.

In addition to advertising in national hospital publications, the company is about to begin advertising in regional healthcare publications. Testimonial ads will be used, "because so much of the readership will know the person giving the testimonial," he says.

Mr. Dillion believes that for companies selling services, the testimonial may be "not only effective, but perhaps even critical."

But much of the healthcare industry involves manufactured goods. For that client, Mr. Reiff encourages the use of direct mail and trade journal advertising.

Ms. Jensen of National Research says: "Manufacturers once sold heavily at the department level. But today you need to involve not only the end user [nurses or physicians], but the one who makes the decision to buy, the administrator."

Additional changes are influencing healthcare sales. Many administrators believe their hospitals traditionally purchased supplies from too many vendors. Those administrators have decided to bargain with key vendors.

"Eighty-six per cent of hospital administrators are trying to standardize products to cut costs," Ms. Jensen says.

"We've gotten discounts on nearly everything we purchase," says Howard Goldstein, executive director-finance at the 614-bed Hahneman University Hospital, Philadelphia.

He says Hahneman purchases $20 million of surgical and medical supplies annually. "For a large portion of those supplies, do we want to go to 50 vendors? Or do we want to go to two or three vendors, from whom we'll expect big concessions on prices?"

At Hahneman, any contract for more than $500,000 has to be approved by the hospital board. "That happens maybe 20 times a year," Mr. Goldstein says. "At a smaller hospital, a $100,000 purchase might have as significant an impact on the over-all budget as the $500,000 purchase does on ours. So their board of directors may need to approve every purchase of $100,000 or more."

Several marketers indicate their agencies help prepare slides, charts and information packets for those hospital board presentations.

"Money isn't the only driving force in our purchase decisions. We're very concerned about the ease-of-use and the quality-of-care issues," says Vaughan Delk, Hahneman's assistant vp-support services. "And will the equipment be on the market a year from now, or two years from now?"

This fear of obsolescence is echoed by other hospital administrators, physicians and nurses.

"I strongly believe that too many vendors are concerned mainly about their sales this year and next. They don't have a five-year plan," says Charles S. Lauer, publisher of *Modern Healthcare*, Chicago, a Crain Communications Inc. publication. "To get a leg up on the competition, you need to develop products that won't be out of date in five years.

"Then the vendor needs product-specific ads that will convince the reader. Instead, too many ads I read are image ads filled with puff. They say: 'We are the best. We give you quality.' But they don't say anything to convince the reader."

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Drug companies reach into mixed marketing bag

By Jaan Kangilaski

Prescription drug marketers will reach into their medicine chest of marketing tactics and spend about $3.5 billion in 1985, equal to about 20% of the $17.3 billion of "human dosage products" that they expect to sell, according to the Pharmaceutical Manufacturers Assn., Washington.

The cost of marketing and promoting ethical pharmaceutical products is difficult to ascertain. A Federal Trade Commission study in 1976, the last of its kind, put the cost of marketing at 20.6% of the $7.7 billion in industry sales. Although the totals have gone up, agency executives say the proportion of ad spending to sales probably has stayed the same.

Traditional product advertising in scientific journals accounts for 24% of advertising efforts, direct mail about 6% and detail staff for another 20%. Half the marketing and promotion dollars go to happenings, product related exhibits at scientific meetings, special symposiums for select groups of doctors and an assortment of single-sponsor publications ranging from monographs to newsletters, special interest magazines, tapes and videocassettes.

Many doctors have special radio receivers on which they listen to the Physician's Radio Network, New York, for medical news and prescription drug commercials. The program is supported by most major pharmaceutical marketers.

Doctors also watch satellite transmissions of lectures and round-table discussions, often with the opportunity to ask questions of the experts and to earn Continuing Medical Education credits.

One major New York healthcare agency estimates about 65% of its billings cover printed materials, about 10% are for medical convention activities, and 25% are on happenings—the greatest growth area.

While the relative importance of happenings is increasing, journal advertising is down, in part because dollars have followed products reclassified by the Food & Drug Administration as over-the-counter drugs.

However, the American Medical Assn., expects 1985 billings to reach $36 million, up 13% from 1984, for the 11 periodicals published by the Chicago-based association.

Agencies that direct their efforts to the healthcare professionals tend to be wary of the otc switch. Marketing to the public calls for a different approach and different skills.

The impact of the medical products agencies' entry into the proprietary drug marketing field is not yet clear. One veteran agency executive, who asked not to be identified, says the switch to otc status is increasingly confusing to the consumer because of a lack of bona fide therapeutic breakthroughs and a basically static market that has brought a proliferation of product forms.

The same executive has doubts about the impact agencies and companies with an ethical pharmaceutical products background are likely to have in the $7 billion to $8 billion proprietary drug market.

"When you look at their ads you'll see they are not addressed to consumers' needs," he says. "They're long on fact and short on emotion."

"The key is to gain professional approval for the product. Ultimately it does not matter what kind of pressure the public may generate—the basic decision still rests with the doctors," says Jeftyn Portugill, vp, PRISM (public relations in science and medicine), division of BBDO Health and Medical Communications, New York.

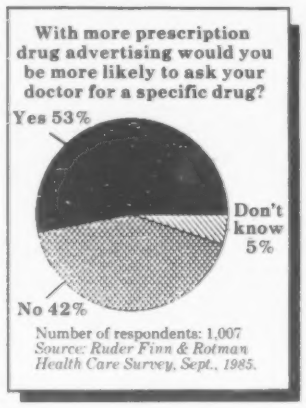
Paul J. Abrams, senior vp of Ketchum Advertising/New York, sees little real difference in advertising either prescription or nonprescription products of Schering-Plough Corp., Kenilworth, N.J.

The key in selling to doctors is professionalism, with emphasis on facts. That means homework because health service professionals are aware no pharmaceutical product is perfect.

"You have to try to understand the product or service the client wants," says Ted Klein, president of Ted Klein & Co., New York. "You have to understand what the product will do, what it won't do, and what questions the doctors are likely to ask about it."

When Merrell Dow Pharma-

(Continued on Page 36)


With more prescription drug advertising would you be more likely to ask your doctor for a specific drug?
Yes 53%
Don't know 5%
No 42%
Number of respondents: 1,007
Source: Ruder Finn & Rotman Health Care Survey, Sept., 1985.

Jaan Kangilaski is a Philadelphia-based free-lance writer and a former editor of the medical news section of the Journal of the American Medical Assn.

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  CRS is currently conducting a three-year series of surveys to determine the effectiveness of nuclear power plant alert systems. Within 2 hours of the tone alert, CRS completes all interviews with a sample of representative households in the alert area to find out whether the siren was heard. Specific areas are then identified for siren enhancement.
- **Industrial survey determined size of market for 30 products**
  Employing a two-phase approach, CRS conducted 3,000 CATI interviews in the United States and Canada to determine brand share and market size for 30 products used by craftsmen and manufacturers in 60 end-user classifications.

  A custom-designed program, based on incidences determined in phase one, was used to allocate optimal sample sizes for the second interview phase. This two-step procedure ensured greater reliability of results within each industry grouping.
- **Insurance survey probes needs of older Americans**
  To determine the perceived coverage shortcomings of Medicare, 1000 CRT interviews were conducted with Americans over 65 about supplemental health insurance coverage. Results are being used to design health insurance programs that better meet the needs of the elderly.

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Drug

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ceuticals, Cincinnati, was preparing to introduce the new antihistamine Seldane, it commissioned a national survey by the Opinion Research Corp., Princeton, N.J., a subsidiary of Arthur D. Little Inc. The survey found that 62% of allergy patients don't always take their medication because they regard the resulting drowsiness as a worse problem than the allergy.

Opinion Research presented the findings in March as a scientific exhibit at the allergists' national meeting in New York. Allergists knew about drowsiness as a side effect of antihistamines, but they didn't know the extent of noncompliance.

Seldane had not received FDA approval for routine prescription at the time of the meeting, so there was no visible effort at product-oriented promotion. "We certainly would have hit that, and hit it hard, if the clearance had come through in time," says Lawrence J. Lesser, chairman-chief executive officer of Medicus Intercon International, the New York agency that handles the account.

The results from the meeting were "very dramatic," he says. "Even though we missed a significant part of the high allergy season, the projected sales for 1985 far exceed the original expectations.

The Seldane promotion was simplified because the drug had been approved for use in Europe years earlier. As a result, the experience of some widely recognized foreign doctors was available for promotion.

"A visiting expert is more convincing from a doctor's point of view than any presentation, no matter how creative or elaborate," Mr. Lesser says.

That's fine with him and other agency officials, because many Continuing Medical Education programs rely on presentations by visiting experts, whose travels often are sponsored by pharmaceutical manufacturers.

Some of these presentations are simple podium lectures, others are much more elaborate with three to eight experts. Doctors in the audience may get a booklet containing reprinted articles or an audio or videotape cassette.

Since the mid-1970s many national medical meetings have used closed-circuit tv. Drug companies have been making educational grants to help pick up the tab for such programs.

Variations of the technique are used for more direct marketing. "We recently used teleconferencing to introduce a new product used by dentists in this way," Mr. Klein says. "Every dentist in New York state was sent an invitation to call a free number to listen to the presentation and ask questions. Afterwards we sent all 1,500 dentists in the state a transcript of the question and answers, along with other material."

Selected doctors also may be invited to a meeting where they can listen to and mingle with the experts. Some of these promotions are very elaborate.

In 1982, Stuart Pharmaceuticals of Wilmington, Del., and its British parent company, ICI Ltd., flew cardiologists and their spouses to the French Riviera for a weeklong symposium on Tenormin, a beta-adrenergic blocker used to treat heart disease patients. About 600 doctors from the U.S. made the trip to hear the scientific reports.

Many of these meetings are billed as research conferences, giving doctors doing research in the field an opportunity to compare notes and present reports that may be published later with drug company support.

Occasionally the papers presented at a special symposium are published as a supplement to a scientific journal, with a note crediting the company with giving a grant to support the meeting.

Satellite broadcasting has added a new dimension to the special symposium: Transmission of its proceedings to meeting halls around the country. While the focus will be a medical problem, the company's products are likely to be mentioned during the discussion.

Pharmaceutical marketing also involves getting coverage by the medical press. *Medical Tribune*, *Medical World News* and similar publications are thick with prescription drug ads, and their reporters often are invited to cover invitational symposiums. Drug companies also retain agencies to publish newsletters and more elaborate periodicals aimed at specialists. The bigger medical organizations publish bulletins or convention newspapers—largely supported by pharmaceutical advertising—at their annual meetings.

Pharmaceutical marketers may even sponsor publication of a special tabloid-size newspaper devoted to a single meeting on a major medical problem like cancer and mailed to thousands of specialists in the field. Medical Publishing Enterprises of Fair Lawn, N.J., has done this for the past two years for Boehringer Ingleheim Pharmaceuticals, Ridgefield, Conn.

Boehringer Ingelheim's product—Torecam—is not an anti-cancer drug but an anti-emetic used to treat the nausea and vomiting that are a side effect of many anti-cancer treatments.

But what do you do when the product is an antibiotic that is administered in the hospital by intravenous drip? The key people in this case, according to Mr. Klein, are the hospital pharmacists and members of the hospital drug committee. The promotion was aimed specifically at these groups—after Mr. Klein found the product's particular appeal.

He held two invitational meetings for pharmacists from major hospitals and asked their opinion of the product, discovering that many of the pharmacists did not like the stopper on the bottle. "What these people are concerned with are price, effectiveness, and ease of handling," he says. "You find out what appeals to them, and concentrate on that."

Production editor Pat Gray Thomas coordinated this report on Healthcare Marketing.

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